

Mineral Industry Surveys

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GOLD IN NOVEMBER 2004

U.S. mines produced 22,100 kilograms (kg) of gold in November 2004, a 1% increase compared with that of October, according to the U.S. Geological Survey. Production of gold in Nevada and California was down by 1% and 17%, respectively, over the same period. Total gold production for the first 11 months of 2004 was 7% less than that for the first 11 months of 2003, and the production in November was 4% less than that of November 2003.

Domestic.—Montana voters rejected a ballot that would have repealed the State's ban on cyanide use in the processing of gold and silver at newly mined deposits. Voters were more emphatic in not rejecting the ban (59% to 41%) than they were in passing the original ban in 1998. The MacDonal and Seven Up Pete projects are potential deposits that could be mined if the ban was repealed and were reported to contain 426,000 kg (13.7 million troy ounces) of gold and 2.59 million kg (83.4 million ounces) of silver (American Metal Market, 2004b).

International.—South African investors were able to trade in gold bullion for the first time following the November 2, 2004, listing of an exchange-traded fund called Absa NewGold. Investors bought and sold shares in 400-troy ounce gold bars through the Johannesburg Stock Exchange. Each share represented and was backed by one-hundredth of one ounce of gold held by the Rand Refinery. The listing came after the World Gold Council's launch of Gold Bullion Securities in Australia in March 2003 and in the United Kingdom in December 2003 (American Metal Market, 2004c).

The London Bullion Market Association (LBMA) reported that the number of gold ounces transferred increased 18.5% in October compared with those of September, rising to 457,000 kg (14.7 million ounces). In comparison with those of October 2003, ounces transferred were 4.3% higher. The number of gold transfers increased by 20% in October compared with those of September, and the number of gold transfers was about the same

as the number of transfers in October 2003 (Platts Metals Week, 2004b).

Central banks' gold fell 2.3% to 31.4 million kg (1 billion ounces) in 2 years. U.S. reserves, which made up more than 25% of the total central bank gold reserves, declined less than 1% to 8.135 million kg (262 million ounces) over the same period. Some countries that added gold significantly to their central bank reserves during the 2-year period included China (up 20%), Venezuela (up 10%), and Argentina (up 55,000 kg from zero) (Platts Metals Week, 2004a).

GFMS Ltd. reported that global gold dehedging increased in the third quarter of 2004. The hedge book was cut by 144,000 kg (4.6 million ounces). The cut left the adjusted book at 1.88 million kg (60.4 million ounces), which was equivalent to 75% of the 2003 global gold mine production (GFMS Ltd., 2004).

StreetTracks Gold Trust launched on the New York Stock Exchange under the symbol GLD and traded nearly 6 million shares or 6,500 kg of gold on its first day. The price of each share was based on one-tenth of an ounce of physical gold that represented ownership in the StreetTracks Gold Trust. The Trust's gold was held in vaults by the custodian HSBC Banktrust. The U.S.-based product was the fourth such product sponsored by the London-based World Gold Council. Gold Bullion Securities traded in Australia and the United Kingdom, while Gold Bullion Debentures traded in South Africa. All four gold products track the spot price of gold minus fees (American Metal Market, 2004a).

References Cited

- American Metal Market, 2004a, Gold bullion-backed fund marks its debut on NYSE: American Metal Market, v. 112, no. 46-5, November 19, p. 1.
- American Metal Market, 2004b, Montana maintains ban on cyanide mining: American Metal Market, v. 112, no. 44-4, November 4, p. 6.
- American Metal Market, 2004c, New gold fund trading on S. African exchange: American Metal Market, v. 112, no. 44-3, November 3, p. 6.

GFMS Ltd., 2004, Global gold hedge book analysis Q3 2004: London, United Kingdom, GFMS Ltd. press release, 8th ed., November, 16 p.
Platts Metals Week, 2004a, Central banks' gold fell 2.3% in two years: Platts Metals Week, v. 75, no. 45, November 8, p. 15.

Platts Metals Week, 2004b, Gold volumes, value up in October—LBMA: Platts Metals Week, v. 75, no. 46, November 22, p. 8.

TABLE 1
MINE PRODUCTION OF RECOVERABLE GOLD
IN THE UNITED STATES, BY STATE¹

(Kilograms)

	California	Nevada	Other States ²	Total
2003:				
November	246	18,900	3,830	23,000
December	235	17,100	3,910	21,300
January-December	4,270	227,000	45,700	277,000
2004:				
January	198	16,900	3,210	20,300
February	245	15,500	2,890	18,700
March	243	20,800	3,160	24,200
April	283	15,500	2,850	18,600
May	241	18,400	3,000	21,700
June	1,070	18,600	3,190	22,800
July	182	18,100	3,250	21,500
August	164	17,400	3,300	20,900
September	174	18,500	3,510	22,200
October	164	18,200	3,510	21,800
November	137	18,000	3,950	22,100
January-November	3,100	196,000	35,800	235,000

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes Alaska, Arizona, Colorado, Idaho, Montana, South Dakota, Utah, and Washington.

TABLE 2
GOLD PRICES

(Dollars per troy ounce)

Engelhard Industries:	
2003:	
Low/date	321.09 April 7
High/date	417.76 December 31
Average	364.80
2004:	
September:	
Low/date	397.62/8
High/date	417.01/30
Average	406.79
October:	
Low/date	412.60/13
High/date	430.53/25
Average	421.83
November:	
Low/date	424.87/3
High/date	454.82/30
Average	439.60
Year to date:	
Low/date	376.29 May 10
High/date	454.82 November 30
Average	407.54
Handy and Harman:	
2003, average	
	363.51
2004:	
September	405.45
October	420.46
November	438.21
Year to date	406.21
London Final:	
2003, average	
	363.51
2004:	
September	405.28
October	420.46
November	439.38
Year to date	406.22

Source: Platts Metals Week.

TABLE 3
U.S. IMPORTS AND EXPORTS OF GOLD¹

(Kilograms of gold content, unless otherwise specified)

Period and country	Ores and concentrates ²	Doré and precipitates	Refined bullion ³	Total ⁴	Waste and scrap (gross weight)	Metal powder (gross weight)	Gold compounds (gross weight)
Imports for consumption:							
2003	1,960	95,200	152,000	249,000	15,000	4,080	31,800
2004:							
August	484	9,370	9,210	19,100	1,420	266	1,010
September	323	16,600	10,200	27,100	2,380	373	11,500
October:							
Brazil	--	--	1,230	1,230	--	--	--
Canada	351	--	6,280	6,630	137	6	--
Chile	--	753	475	1,230	--	--	--
Colombia	--	2,810	438	3,250	199	--	--
Costa Rica	--	--	--	--	123 ⁵	--	--
Dominican Republic	--	--	3	3	893	19	--
Germany	--	--	(6)	(6)	--	--	5,400 ⁵
Honduras	--	83	--	83	10	177	--
Japan	--	--	--	--	--	--	3,590 ⁵
Mexico	--	204	1,180	1,380	642 ⁵	--	--
Nicaragua	--	162	--	162	11	--	--
Peru	--	16,900	--	16,900	--	--	--
United Kingdom	--	8	10	18	--	--	--
Other	--	20	204	224	192 ⁵	24 ⁵	--
Total	351	21,000	9,820	31,200	2,210	226	8,990
Year to date	1,590	111,000	123,000	236,000	16,600	3,840	48,700
Exports:							
2003	826	131,000	220,000	352,000	159,000	874	565,000
2004:							
August	96	10,800	6,090	17,000	46,700	81	93,000
September	212	12,800	18,900	31,900	56,100	46	103,000
October:							
Canada	--	--	5,970	5,970	11,700 ⁵	--	32,600 ⁵
China	--	--	--	--	--	2	1,760 ⁵
Dominican Republic	130	--	--	130	--	--	1,330 ⁵
France	--	--	--	--	--	(6)	181 ⁵
Germany	--	69	--	69	22,600 ⁵	(6) ⁵	188 ⁵
Honduras	--	--	--	--	--	--	307 ⁵
India	--	--	--	--	--	1	242 ⁵
Israel	--	--	119	119	--	--	3,020 ⁵
Italy	--	--	--	--	--	--	215 ⁵
Korea, Republic of	--	--	--	--	--	1	--
Mexico	--	1	701	702	13	1	--
Singapore	--	--	991	991	--	--	34,500 ⁵
South Africa	--	--	--	--	6,860 ⁵	--	--
Switzerland	--	10,800	5,350	16,200	643	--	--
Taiwan	--	--	--	--	--	--	9,680 ⁵
Turkey	--	--	--	--	--	--	784 ⁵
United Kingdom	--	--	1	1	31,300 ⁵	72	--
Other	8	--	173	181	89	1	271 ⁵
Total	138	10,900	13,300	24,400	73,200	94	85,100
Year to date	979	113,000	98,200	212,000	554,000	531	953,000

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes gold content of base metal ores, concentrates, and matte imported for refining.

³Bullion also moves in both directions between U.S. markets and foreign stocks on deposit in the Federal Reserve Bank. Monetary gold excluded.

⁴"Waste and scrap," "Metal powder," and "Gold compounds" not included in "Total."

⁵All or part of these data have been referred to the U.S. Census Bureau for verification.

⁶Less than 1/2 unit.